

**PURCHASE MONEY SECURITY INFORMATION**

RE 600G (Rev. 3/99)

**GENERAL INFORMATION**

- ❖ All correspondence should be addressed to:  
Department of Real Estate  
Subdivisions Office – South  
320 W. 4th Street, Suite 350  
Los Angeles, CA 90013-1105
  - ❖ The subdivider's name must exactly match the name of the principal on the security or a rider must be submitted which adds that subdivision principal.
  - ❖ Attached to any bonds, riders or notices from a surety, must be a current attorney-in-fact for the entity signing on behalf of the surety.
  - ❖ Any securities, riders or notices should be submitted with the name of the surety, principal, and agent, the current address and telephone number of same.
  - ❖ Retain these instructions for reference.
  - ❖ The following forms are referenced by name and/or number in this information sheet.
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| RE 600  | Surety Bond [§11013.2/.4]   |
| RE 600A | Blanket Surety Bond [§11013.2/.4]   |
| RE 600B | Purchase Money (§11010.4)   |
| RE 600H | Purchase Money Security Declaration and Instructions to Security Depository – §11013.2/.4 |
| RE 600I | Set-Aside Letter (B&P §11013.2/.4)  |
| RE 600J | Irrevocable Standby Letter of Credit (B&P §11013.2/.4)                                    |

**REQUIREMENTS**

Pursuant to Sections (§) 11013.2 and 11013.4 of the Business and Professions (B&P) Code, subdividers may elect to furnish to the Real Estate Commissioner a security for the benefit and protection of purchasers or lessees for subdivision lots/parcels/units/interests in lieu of impounding all purchase money until close of escrow.

The amount of the security is determined by the subdivider; however, all purchase money which exceeds the amount of the bond must be impounded pursuant to §11013.2(a) and 11013.4(a) of the B&P Code.

**Single Subdivision**

If a bond will be used for a single subdivision, RE 600 should be used. The public report application would not be deemed perfected until a copy of the bond and RE 600H is submitted with all other application documents to the Deputy Commis-

sioner processing the application. If the subdivision is exempt, include that notification with the bond. The original bond and RE 600H is to be sent to the Purchase Money Coordinator for maintenance in the Subdivision Section in Los Angeles.

**More Than One Subdivision Bond or Alternative Letter of Credit or Set-Aside**

If a bond will be used for more than one subdivision, an RE 600A should be used. Alternative include RE 600J or RE 600I which apply to either single or multiple subdivisions. The original security and RE 600H is submitted to the Subdivision Section in Los Angeles with a letter stating the subdivision(s) currently covered by the security and the DRE public report file number(s), if available, and is kept on file in the Subdivision Section. Any exempt subdivision(s) to be covered by the security should be identified as "exempt." A copy of security should be submitted with any public report application to which it applies.

**Exempt Subdivisions**

Security instruments may be used for subdivisions which are exempt from public report requirements pursuant to §11010.4 of the B&P Code. For such exempt subdivisions, the security instruments should be sent directly to the Purchase Money Coordinator in the Subdivision Section. If other than an RE 600 is used, an RE 600B must be submitted for each exempt subdivision to be covered by the security. Status reports pertinent to exempt subdivisions being added to and deleted from security coverage are also required and should include the same information as outlined for non-exempt subdivisions, excluding DRE public report file number. An RE 600B should accompany the status report if an addition of a subdivision is being reported.

RE 600A, 600I and 600J may be used for a combination of exempt and non-exempt subdivisions provided that DRE is apprised of all current information.

**Status Reports**

It is the responsibility of the subdivider to inform the Department of Real Estate of the subdivision(s) for which an RE 600A, 600I, or 600J security is being used; and to provide a status notice of subdivisions being added and/or deleted from coverage.

Each time a subdivision is added to or deleted from coverage, the subdivider should provide a comprehensive list of the subdivisions then covered by the security and a new list to supersede all previous lists.

The following information should be provided for all subdivisions for which the security is being used at the time of the status notice:

- Principal name, address and telephone number
- Security issuer name, address and telephone number
- Security number
- Tract number and/or name (*whichever is applicable*)
- Phase number, if applicable
- County where subdivision is located
- DRE public report file number(s)
- Identify “exempt” subdivision(s)

If you intend to use RE 600A, 600I, or 600J for subdivisions exempt from public report requirements per Section 11010.4 of the B&P Code, an RE 600B must be submitted for each subdivision to be covered by the security. Status notices are required for exempt subdivisions.

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